

2640 State Transit Assistance

State Transit Assistance provides funding to the State Controller for allocation to regional transportation planning agencies for mass transportation programs.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 State Transportation Assistance	-	-	-	\$200,757	\$623,715	\$784,658
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$200,757	\$623,715	\$784,658
FUNDING				2005-06*	2006-07*	2007-08*
0046 Public Transportation Account, State Transportation Fund				\$200,757	\$623,715	\$184,658
6059 Public Transportation Modernization, Improvement, & Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, & Port Security Fd of 2006				-	-	600,000
TOTALS, EXPENDITURES, ALL FUNDS				\$200,757	\$623,715	\$784,658

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Public Utilities Code Sections 99312; Revenue and Taxation Code 7102; Government Code Section 29530.

MAJOR PROGRAM CHANGES

- Proposition 1B Funds - In November 2006, voters passed Proposition 1B, which provided \$19.9 billion in bond funds for transportation infrastructure in California. Of this amount, \$3.6 billion is for commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement. The Governor's Budget includes \$1.3 billion in bond funds to be distributed over the next three years to local transit agencies, including \$600 million in 2007-08. Budget trailer legislation provides that each agency's share of funds, as determined by the bond act formula, will be disbursed as qualified projects are approved by the California Transportation Commission.
- Allocation of "Spillover" Funds - Existing law provides that in many years, sales tax revenues on gasoline that exceed the amount that one-quarter cent of sales tax on other purchases produces are deemed "spillover" revenues and are deposited in the Public Transportation Account. Current law also provides that one-half of those revenues are distributed to transit agencies for operations. These laws have often been changed for periods of time to allocate these revenues differently. The Governor's Budget proposes to continue the flow of these revenues into the PTA for 2007-08, except for \$340 million needed to offset transportation bond debt service. Additionally, the Budget proposes to permanently discontinue allocating spillover revenue to the State Transit Assistance program. This and other actions proposed in the budget frees up sufficient funding capacity to fund Home-to-School Transportation and Regional Center Transportation.
- 2006-07 Spillover - The 2006-07 Budget Act and current statute are in conflict with regard to how much funding should be allocated for transit assistance. The revenues from spillover in the current year are now anticipated to be more than \$100 million less than was forecast for 2006-07, but the Budget Act level, based on the higher estimates, has been interpreted as superceding the statute. Because this effectively allocates more than the revenues will support, the Governor's Budget proposes to correct for this over-allocation by reducing the state transit assistance share of sales tax revenues in 2007-08 by the extra amount it received in 2006-07.

DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• Removal of One-Time Funds and Current Year Overfunding of State Transit Assistance	\$-	\$-	-	\$-	-\$283,683	-
Totals, Baseline Adjustments	\$-	\$-	-	\$-	-\$283,683	-
Policy Adjustment Descriptions						
• Proposition 1B Transit Expenditures	\$-	\$-	-	\$-	\$600,000	-
• Eliminate State Transit Assistance Share of Spillover Revenues	-	-	-	-	-155,374	-
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$444,626	-
TOTALS, BUDGET ADJUSTMENTS	\$-	\$-	-	\$-	\$160,943	-

* Dollars in thousands, except in Salary Range.

2640 State Transit Assistance - Continued

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 ADMINISTRATION OF TRANSIT PROGRAMS

The Administration Program provides funds to local agencies for the operation and construction of public mass transit systems and for street and road projects in rural areas.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2005-06*	2006-07*	2007-08*
PROGRAM REQUIREMENTS				
10	STATE TRANSPORTATION ASSISTANCE			
	Local Assistance:			
0046	Public Transportation Account, State Transportation Fund	\$200,757	\$623,715	\$184,658
6059	Public Transportation Modernization, Improvement, & Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, & Port Security Fd of 2006	\$-	\$-	\$600,000
		<u>\$200,757</u>	<u>\$623,715</u>	<u>\$784,658</u>
ELEMENT REQUIREMENTS				
10.10	State Transportation Assistance	\$200,757	\$623,715	\$784,658
	Local Assistance:			
0046	Public Transportation Account, State Transportation Fund	200,757	623,715	184,658
6059	Public Transportation Modernization, Improvement, & Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, & Port Security Fd of 2006	-	-	600,000
	TOTALS, EXPENDITURES			
	Local Assistance	<u>200,757</u>	<u>623,715</u>	<u>784,658</u>
	Totals, Expenditures	\$200,757	\$623,715	\$784,658

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

		2005-06*	2006-07*	2007-08*
2	LOCAL ASSISTANCE			
	0046 Public Transportation Account, State Transportation Fund			
APPROPRIATIONS				
	101 Budget Act appropriation	\$200,757	-	-
	101 Budget Act appropriation, as amended by Chapter 48, Statutes of 2006	-	\$623,715	-
	Public Utilities Code Section 99312	-	-	\$184,658
	TOTALS, EXPENDITURES	\$200,757	\$623,715	\$184,658
	6059 Public Transportation Modernization, Improvement, & Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, & Port Security Fd of 2006			
APPROPRIATIONS				
	104 Budget Act appropriation	-	-	\$1,300,000
	Totals Available	\$-	\$-	\$1,300,000
	Balance available in subsequent years	-	-	-700,000
	TOTALS, EXPENDITURES	\$-	\$-	\$600,000
	TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$200,757	\$623,715	\$784,658

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